

CONFIDENTIAL

DDA 82-1778
16 July 1982

MEMORANDUM FOR: Associate Deputy General Counsel

FROM:

[Redacted]

25X1

Special Support Assistant to the DDA

SUBJECT:

Ambassadorial Pay Cap Issue

[Redacted]

25X1

Ed,

Further to our ongoing conversations regarding the Ambassadorial Pay Cap matter, I am enclosing, for your information, an excerpt from 3 FAM 673.4. You will note from this that the Department compensates its capped personnel by giving them the option to obtain additional retirement credit at certain posts designated as unhealthful. Please also note that the Chief of Mission can obtain this extra service credit. Should we be required to abide by the Ambassadorial Pay Cap, our people are left out in the cold since it would not be possible to opt for the additional retirement credit as State personnel can.

25X1

25X1

Att:

As stated

[Redacted]

ORIG:SSA/DDA

[Redacted]

16 Jul 82

25X1

Distribution:

0 - ADDEE w/att.

1 - SSA/DDA Chrono w/o att.

① - SSA/DDA (ACCT-9) w/o att.

25X1

CONFIDENTIAL

673.4-8 Periods for Which Refunds Have Been Made

Service under the Civil Service Retirement and Disability System for which retirement deductions have been refunded to a participant is included if a special contribution is made to the Fund. If special contribution is not made, this service is not included in length of service for annuity computation, but is included for all other purposes.

673.4-9 Service for Which Retirement Deductions Have Not Been Made

Even though retirement deductions were not made for a period of service, credit generally may be given without a special contribution to cover this service. If a special contribution is not made, however, the annuity is subject to reduction as explained in section 673.1-1.

673.4-10 Terminal Leave

A lump-sum payment covering accrued accumulated and restored annual leave is not considered pay for retirement purposes, and no credit is allowed for the period covered by the payment.

673.4-11 Fractional Part of a Month in Total Service

In computing a participant's total creditable service, the fractional part of a month in the aggregate service is eliminated. For example, a participant who has two periods of creditable service, one of 2 years, 6 months, and 20 days duration, and the other of 18 years, 3 months, and 15 days duration, is given credit for a total of 20 years and 10 months of service.

673.4-12 Service at Unhealthful Posts

a. The Allowances Staff (A/ALS) may from time to time establish a list of places which, by reason of climatic or other extreme conditions, are to be classified as unhealthful (see Exhibit 673.4-12a). A/ALS may at any time cancel the designation of any post on the unhealthful list, and such cancellation does not affect any credit accrued for service at such post before the cancellation date.

b. Chiefs of mission who are also participants in the Foreign Service Retirement and Disability System automatically receive extra service credit toward retirement for service at unhealthful posts. Other participants in the System who are assigned to unhealthful posts automatically receive post differential pay, if such is prescribed for the post, or they *may elect* to receive extra service credit toward retirement in lieu of post differential pay on OF-140 (formerly JF-39), Election to Receive Extra Service Credit Towards Retirement (Exhibit 673.4-12b). **Any such election filed on or after November 22, 1978, is irrevocable for the duration of the participant's assignment at the post, except that whenever there is a change in benefits such as the removal of the pay ceiling or an increase or decrease in a post differential, an election may be revoked within 60 days of the benefit change. (For this purpose, an assignment would be terminated by travel to the United States for home leave and return. Returning to the same post would constitute a new assignment, thereby permitting a new election if desired.)**

c. Extra service credit is granted in an amount equal to one-half the time spent at an unhealthful post exclusive of time absent from the post on temporary duty, consultation, or detail at other locations not designated as unhealthful. In computing the extra service credit, count the total amount of time spent at an unhealthful post from the date of arrival, or from the date the election to receive extra credit becomes effective, to the date of final departure, including leaves of absence spent at the post or elsewhere and excluding temporary duty, detail, or consultation at a post not on the unhealthful *list. For* example:

Post	Years	Months	Days
Addis Ababa....	2	5	6
Bangkok.....	1	3	2
Bombay.....	0	6	1
Total.....	4	2	9

*Divide by 2:

Extra service credit allowed	2	1	5*
------------------------------	---	---	----

d. A participant in the System may receive extra credit for service performed at an unhealthful post before becoming a participant, if (1) the participant has made full contribution to the Fund for such period of service or the provisions of section 673.1-1b apply, and (2) did not receive a salary differential while assigned to such post.

e. Extra credit for service at an unhealthful post is counted for the purpose of meeting the minimum length of service required for retirement eligibility and eligibility to continue health and life insurance coverages into retirement, if all other requirements have been met. However, the extra credit for service at an unhealthful post cannot be added in computing the employee's "high-3" average salary.

673.4-13 Credit for Unused Sick Leave

The service of an employee who (1) retires on immediate annuity or (2) dies leaving a spouse entitled to survivor annuity is increased by the days of unused sick leave to the employee's credit. The days of unused sick leave thus added are used only in counting the number of years and months of service for annuity computation purposes; they cannot be added in computing the employee's "high-3" average salary or for the purpose of meeting the minimum length of service required for retirement eligibility. However, unused sick leave may be credited without regard to the 35-year limitation mentioned in section 673.1-1. An immediate annuity is one which begins to accrue no later than 1 month after the employee is separated. A separated employee entitled to a deferred annuity beginning at age 60 is not entitled to retirement credit for unused sick leave if that individual attains age 60 more than 1 month after separation.